

The complaint

Ms N says Motability Operations Limited, trading as Motability Operations (who I'll call 'MO') were unreasonable to suspend her from accessing the Motability scheme.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Ms N took receipt of a car in September 2022. She financed the deal through a hire agreement with MO. In January 2024 Ms N received a six-month driving ban. In August 2025 MO became aware of that disqualification and they told Ms N it was a breach of the terms of her contract with them. They terminated the agreement and imposed a four-year sanction within which Ms N would not be allowed to a further lease, but they did allow the contract to run its term and complete in September 2025.

Ms N didn't think MO had been fair and she referred her complaint to this service. Our investigator thought MO had been reasonable. He noted that the terms of the insurance provided in conjunction with the contract wouldn't insure a driver who'd been disqualified in the last five years and that Ms N had breached the terms of the contract by not telling MO about the disqualification. He could find no evidence in the firm's system notes to support Ms N's suggestion that she'd called to explain her disqualification.

Ms N didn't agree with our investigator's opinion, and she asked for a final decision by an ombudsman.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I agree with the investigator's view of this complaint and for broadly the same reasons.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Ms N acquired her car under a regulated consumer credit agreement. This means our service is able to consider complaints about it.

I recognise the significant impact losing access to MO's vehicle has had on Ms N particularly given her health and mobility needs. However, my role is to decide whether MO acted fairly and reasonably, in line with the scheme's rules and the relevant insurance requirements.

The scheme terms require customers to notify MO of any driving conviction, disqualification, or licence suspension. The evidence available doesn't show MO was notified of Ms N's driving disqualification in January 2024. While I don't doubt that Ms N believes she provided that information, there's no independent evidence to support that this happened, and MO's contact records don't show any such disclosure.

In any event, the insurance position is central. Under the insurance policy, drivers who have been disqualified within the last five years aren't eligible for cover. The scheme eligibility isn't based solely on whether another named driver could be insured. The scheme member must remain eligible overall, and insurer's criteria still apply. So having Ms N's daughter as the only named driver wouldn't have enabled the agreement to continue once Ms N had been disqualified.

The four-year restriction applied reflects the remaining period of ineligibility under the insurer's criteria, rather than a discretionary penalty opposed by MO.

I've also considered whether MO acted proportionately. When it became aware of the disqualification, it allowed Ms N to retain the vehicle until the agreement ended naturally, rather than ending it immediately. In my view, this shows MO exercised discretion and took Ms N's circumstances into account, going further than it was strictly required to do under the scheme rules.

Ms N has also raised concerns that her nationality or limited English may have affected how she was treated. I've seen no evidence that MO's actions were influenced by these factors. The outcome flowed from scheme rules and insurance eligibility criteria, which would have applied in the same way to any customer in the same position.

Ms N has explained that she's experienced issues with MO's administration of her account in the past. She's suggested that is evidence that MO are prone to mistakes such as the ones she asserts were present in this complaint. However, I'm only considering the merits of the dispute she referred to us in September 2025. The fact that MO may have made errors in the past doesn't in itself show that it made an error on this occasion.

Overall, I'm satisfied MO acted in line with the scheme terms and insurance requirements, and that it treated Ms N fairly and reasonably in the circumstances. I don't find that they made any error or acted unfairly, so I won't be asking them to take any further action.

My final decision

For the reasons I've given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms N to accept or reject my decision before 3 March 2026.

Phillip McMahon
Ombudsman